



***UNITED STATES***  
***POSTAL SERVICE***

# **FINANCIAL & OPERATING STATEMENTS**

**Accounting Period 5, PFY 2002**

**December 29, 2001 - January 25, 2002**

**Prepared by: Financial Reporting and Analysis**

**Highlights**  
**Accounting Period 5, FY 2002**  
**(Millions)**

| Accounting Period 5 |                |                |          |                |        |
|---------------------|----------------|----------------|----------|----------------|--------|
| Actual              | Budget         | Var. to Budget | % Budget | SPLY *         | % SPLY |
| \$ 5,051.4          | \$ 5,322.5     | [\$ - 271.1]   | [ - 5.1] | \$ 5,232.2     | - 3.5  |
| <u>5,078.3</u>      | <u>5,286.4</u> | <u>- 208.1</u> | - 3.9    | <u>5,168.3</u> | - 1.7  |
| \$ ( - 26.9)        | \$ 36.1        | [\$ - 63.0]    | -        | \$ 63.9        | -      |
| \$ 127.3            | \$ 134.4       | \$ - 7.1       | - 5.3    | \$ 135.4       | - 6.0  |
| 114.2               | -              | -              | -        | 121.7          | - 6.1  |
| 15,528.6            | 15,988.7       | [ - 460.1]     | [ - 2.9] | 16,509.8       | - 5.9  |

| Year-to-Date    |                 |                |          |                 |        |
|-----------------|-----------------|----------------|----------|-----------------|--------|
| Actual          | Budget          | Var. to Budget | % Budget | SPLY *          | % SPLY |
| \$ 25,937.9     | \$ 27,246.9     | [\$ - 1,309.0] | [ - 4.8] | \$ 25,994.1     | - 0.2  |
| <u>25,940.4</u> | <u>26,649.8</u> | <u>- 709.4</u> | - 2.7    | <u>25,972.0</u> | - 0.1  |
| \$ ( - 2.5)     | \$ 597.1        | [\$ - 599.6]   | -        | \$ 22.1         | -      |
| \$ 562.9        | \$ 591.1        | \$ - 28.2      | - 4.8    | \$ 387.4        | 45.3   |
| 603.9           | -               | -              | -        | 636.9           | - 5.2  |
| 79,808.4        | 83,482.2        | [ - 3,673.8]   | [ - 4.4] | 83,972.1        | - 5.0  |

[ ] = Unfavorable variance to budget

Note: Totals may not sum due to rounding.

Note: Mail Volume numbers are preliminary numbers and are subject to change.

\*SPLY data may differ from previous reports due to subsequent adjustments.

\*\* Headquarters budgets have not yet been allocated to individual Headquarters units. Therefore, the Variance to Budget and % Budget entries have been omitted.

| Actual Number Of:                             | Current Period | Last Period | SPLY    |
|---|----------------|-------------|---------|
| Post Offices                                  | 27,867         | 27,867      | 27,873  |
| Active Postal Owned Vehicles                  |                |             |         |
| Administrative                                | 5,542          | 5,540       | 5,621   |
| Operations                                    | 203,742        | 203,730     | 201,176 |
| Possible City Deliveries (000)                | 83,921         | 83,921      | 83,495  |
| City Delivery Routes                          | 167,829        | 167,463     | 168,199 |
| Rural Routes                                  | 69,477         | 69,446      | 67,739  |
| Career Employees (Excludes Inspector General) | 769,587        | 769,674     | 783,896 |
| Casual Employees                              | 27,261         | 59,138      | 37,075  |
| Transitional Employees                        | 13,716         | 15,972      | 14,412  |

Statement of Income & Expense  
Accounting Period 5, FY 2002  
(\$ Millions)

| Current Period |                |                |              |                |              |                                       |
|----------------|----------------|----------------|--------------|----------------|--------------|---------------------------------------|
| Actual         | Budget         | Var. to Budget | % Budget     | SPLY *         | % SPLY       |                                       |
| \$ 5,049.2     | \$ 5,320.4     | [\$ - 271.2]   | [ - 5.1]     | \$ 5,229.5     | - 3.4        | Operating Revenue                     |
| <u>4,926.2</u> | <u>5,127.1</u> | <u>- 200.9</u> | <u>- 3.9</u> | <u>5,012.4</u> | <u>- 1.7</u> | Operating Expense                     |
| \$ 123.0       | \$ 193.3       | [\$ - 70.3]    | -            | \$ 217.1       | -            | Income (Loss) From Operations         |
| 2.2            | 2.1            | 0.1            | 1.8          | 2.7            | - 20.5       | Investment Income                     |
| - 26.0         | - 33.2         | 7.2            | - 21.7       | - 32.0         | - 18.7       | Interest Expense                      |
| <u>- 126.1</u> | <u>- 126.1</u> | <u>0.0</u>     | <u>0.0</u>   | <u>- 123.9</u> | <u>1.8</u>   | Interest on Deferred Ret. Liabilities |
| \$ (- 26.9)    | \$ 36.1        | [\$ - 63.0]    | -            | \$ 63.9        | -            | Income/(Loss)                         |

| Year-to-Date    |                 |                |              |                 |              |  |
|-----------------|-----------------|----------------|--------------|-----------------|--------------|--|
| Actual          | Budget          | Var. to Budget | % Budget     | SPLY *          | % SPLY       |  |
| \$ 25,925.3     | \$ 27,234.8     | [\$ - 1,309.5] | [ - 4.8]     | \$ 25,980.0     | - 0.2        |  |
| <u>25,175.4</u> | <u>25,863.9</u> | <u>- 688.5</u> | <u>- 2.7</u> | <u>25,193.2</u> | <u>- 0.1</u> |  |
| \$ 749.9        | \$ 1,370.9      | [\$ - 621.0]   | -            | \$ 786.8        | -            |  |
| 12.6            | 12.1            | 0.5            | 3.7          | 14.1            | - 10.6       |  |
| - 134.5         | - 155.4         | 20.9           | - 13.4       | - 159.2         | - 15.5       |  |
| <u>- 630.5</u>  | <u>- 630.5</u>  | <u>0.0</u>     | <u>0.0</u>   | <u>- 619.6</u>  | <u>1.8</u>   |  |
| \$ (- 2.5)      | \$ 597.1        | [\$ - 599.6]   | -            | \$ 22.1         | -            |  |

[ ]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

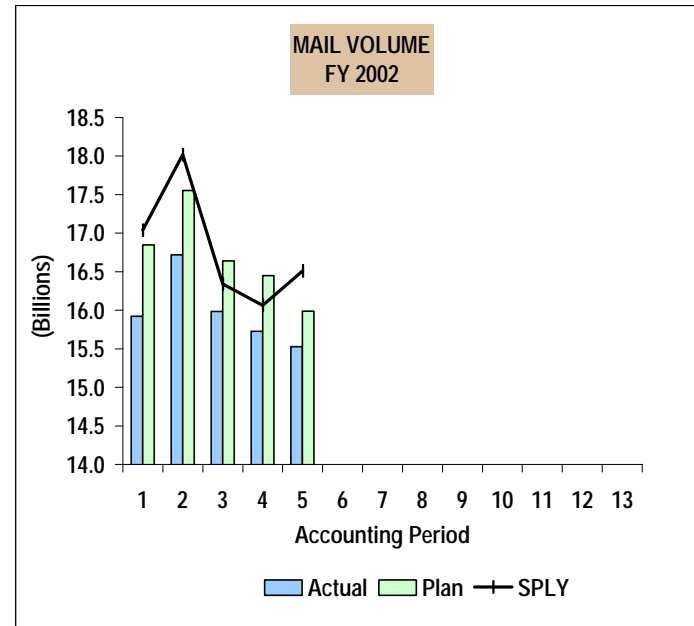
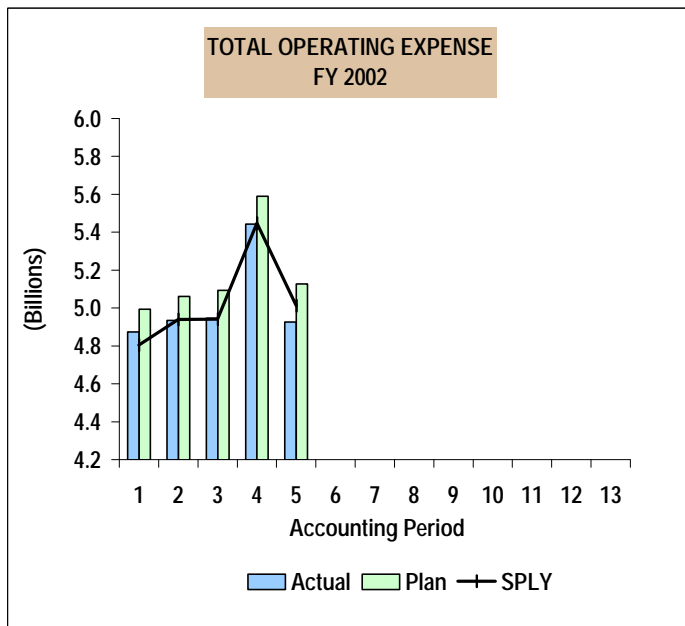
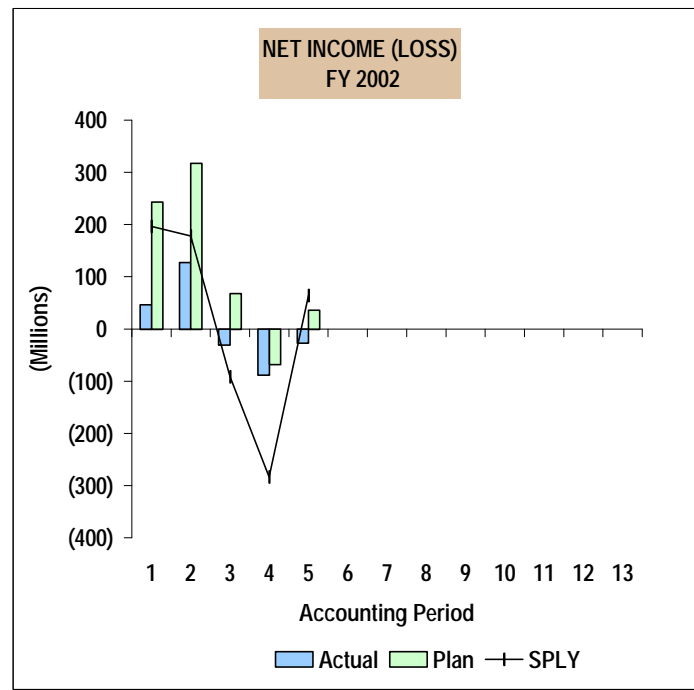
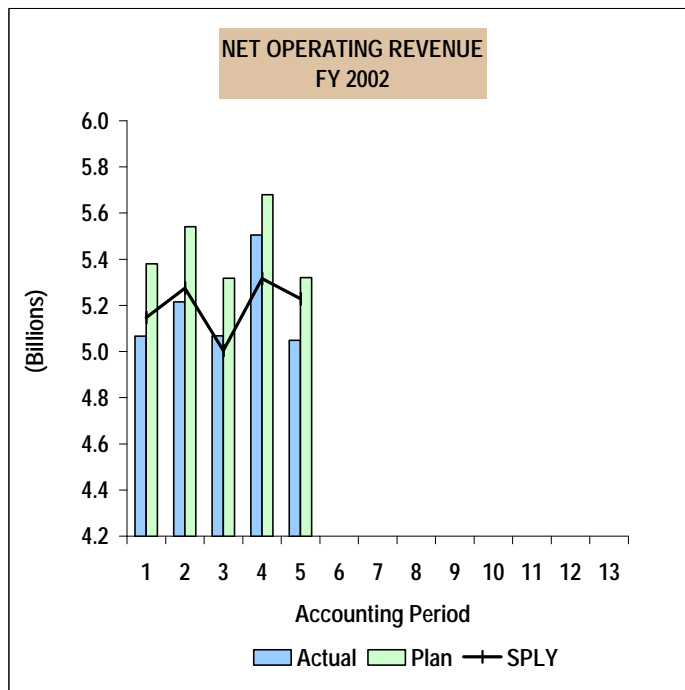
\*SPLY data may differ from previous reports due to subsequent adjustments.

|                            |
|----------------------------|
| MAIL VOLUME - MAIL REVENUE |
| (Data in Thousands)        |

| CURRENT PERIOD   |                 |                 |        |
|------------------|-----------------|-----------------|--------|
| CATEGORY         | AP 5<br>FY 2002 | AP 5<br>FY 2001 | % SPLY |
| FIRST-CLASS      |                 |                 |        |
| VOLUME           | 8,241,899       | 8,757,294       | - 5.9  |
| REVENUE          | \$ 2,875,272    | \$ 3,009,872    | - 4.5  |
| REV/PC.          | 0.3489          | 0.3437          | 1.5    |
| PRIORITY-MAIL    |                 |                 |        |
| VOLUME           | 74,969          | 88,597          | - 15.4 |
| REVENUE          | \$ 354,166      | \$ 383,736      | - 7.7  |
| REV/PC.          | 4.7242          | 4.3313          | 9.1    |
| EXPRESS MAIL     |                 |                 |        |
| VOLUME           | 4,471           | 4,829           | - 7.4  |
| REVENUE          | \$ 64,647       | \$ 68,642       | - 5.8  |
| REV/PC.          | 14.4592         | 14.2145         | 1.7    |
| PERIODICALS      |                 |                 |        |
| VOLUME           | 743,822         | 742,427         | 0.2    |
| REVENUE          | \$ 156,506      | \$ 161,331      | - 3.0  |
| REV/PC.          | 0.2104          | 0.2173          | - 3.2  |
| STANDARD MAIL    |                 |                 |        |
| VOLUME           | 6,270,747       | 6,714,093       | - 6.6  |
| REVENUE          | \$ 1,130,454    | \$ 1,165,927    | - 3.0  |
| REV/PC.          | 0.1803          | 0.1737          | 3.8    |
| PACKAGE SERVICES |                 |                 |        |
| VOLUME           | 89,919          | 77,026          | 16.7   |
| REVENUE          | \$ 165,459      | \$ 141,967      | 16.5   |
| REV/PC.          | 1.8401          | 1.8431          | - 0.2  |
| INTERNATIONAL    |                 |                 |        |
| VOLUME           | 65,705          | 87,472          | - 24.9 |
| REVENUE          | \$ 110,760      | \$ 127,172      | - 12.9 |
| REV/PC.          | 1.6857          | 1.4539          | 15.9   |
| ALL OTHER        |                 |                 |        |
| VOLUME           | 37,019          | 38,092          | - 2.8  |
| REVENUE          | \$ 43           | \$ 116          | - 62.9 |
| ALL MAIL _1/     |                 |                 |        |
| VOLUME           | 15,528,551      | 16,509,829      | - 5.9  |
| REVENUE          | \$ 4,857,307    | \$ 5,058,762    | - 4.0  |
| REV/PC.          | 0.3128          | 0.3064          | 2.1    |

\_ 1/ Totals may not sum due to rounding.

\_2/ Numbers are preliminary and are subject to change.



\*SPLY data may differ from previous reports due to subsequent adjustments.

**REVENUE BY SOURCE**  
Accounting Period 5, FY 2002  
(\$ Millions)

| Current Period                   |                   |              |   | Year-to-Date       |                    |              |
|----------------------------------|-------------------|--------------|---|--------------------|--------------------|--------------|
| Actual                           | SPLY              | % SPLY       |   | Actual             | SPLY               | % SPLY       |
| <b>Operating Revenue:</b>        |                   |              |   |                    |                    |              |
| \$ 1,979.1                       | \$ 2,045.8        | - 3.3        | Metered Postage                                   | \$ 9,674.5         | \$ 9,794.9         | - 1.2        |
| 832.0                            | 977.0             | - 14.8       | Stamps and Stamped Paper                          | 4,614.5            | 4,704.7            | - 1.9        |
| 1,067.2                          | 1,073.6           | - 0.6        | Permit Imprint                                    | 5,801.8            | 5,841.5            | - 0.7        |
| 154.8                            | 160.1             | - 3.3        | Periodicals & Standard                            | 831.6              | 823.4              | 1.0          |
| 73.6                             | 70.1              | 4.9          | Official Mail                                     | 349.3              | 317.6              | 10.0         |
| 738.1                            | 695.3             | 6.2          | Presort First-Class & Package Svc./Permit Imprint | 3,668.8            | 3,471.2            | 5.7          |
| 57.9                             | 52.8              | 9.5          | Box Rents *                                       | 266.6              | 264.7              | 0.7          |
| 17.7                             | 13.6              | 30.1         | Money Order Fees                                  | 81.6               | 70.3               | 16.1         |
| 125.1                            | 136.1             | - 8.1        | Other   | 617.9              | 666.0              | - 7.2        |
| <b>\$ 5,045.5</b>                | <b>\$ 5,224.4</b> | <b>- 3.4</b> | <b>Subtotal</b>                                   | <b>\$ 25,906.6</b> | <b>\$ 25,954.3</b> | <b>- 0.2</b> |
| <b>Government Appropriation:</b> |                   |              |   |                    |                    |              |
| 3.7                              | 5.1               | - 27.0       | Revenue Forgone                                   | 18.7               | 25.7               | - 27.0       |
| <b>\$ 5,049.2</b>                | <b>\$ 5,229.5</b> | <b>- 3.4</b> | <b>Total Operating Revenue</b>                    | <b>\$ 25,925.3</b> | <b>\$ 25,980.0</b> | <b>- 0.2</b> |
| 2.2                              | 2.7               | - 20.5       | Investment Income                                 | 12.6               | 14.1               | - 10.6       |
| <b>\$ 5,051.4</b>                | <b>\$ 5,232.2</b> | <b>- 3.5</b> | <b>Total Revenue</b>                              | <b>\$ 25,937.9</b> | <b>\$ 25,994.1</b> | <b>- 0.2</b> |

Note: Totals may not sum due to rounding.

\*Beginning FY 2002, box rent revenue reporting has been modified.

**REVENUE BY CATEGORY**  
Accounting Period 5, FY 2002  
(\$ Millions)

| Current Period    |                   |                |  | Year-to-Date       |                    |                |
|-------------------|-------------------|----------------|--|--------------------|--------------------|----------------|
| Actual            | Budget            | % Budget       |  | Actual             | Budget             | % Budget       |
|                   |                   |                | <b>Commercial Revenue</b>                    |                    |                    |                |
| \$ 2,009.0        | \$ 2,085.7        | [ 3.7 ]        | Permit Revenue                               | \$ 10,544.0        | \$ 11,056.8        | [ 4.6 ]        |
| <u>1,797.2</u>    | <u>1,959.5</u>    | [ 8.3 ]        | Other Commercial Accounts Revenue            | <u>8,557.0</u>     | <u>9,176.9</u>     | [ 6.8 ]        |
| <b>\$ 3,806.2</b> | <b>\$ 4,045.2</b> | <b>[ 5.9 ]</b> | <b>Total Commercial Revenue</b>              | <b>\$ 19,101.0</b> | <b>\$ 20,233.7</b> | <b>[ 5.6 ]</b> |
|                   |                   |                | <b>Retail Revenue</b>                        |                    |                    |                |
| 978.2             | 1,015.2           | [ 3.6 ]        | Retail Postage Revenue                       | 5,566.8            | 5,651.8            | [ 1.5 ]        |
| 81.1              | 69.2              | 17.2           | Retail Services Revenue                      | 368.9              | 362.6              | 1.7            |
| 8.8               | 9.0               | [ 2.3 ]        | Retail Products Revenue                      | 50.2               | 48.3               | 3.9            |
| <u>143.4</u>      | <u>139.0</u>      | 3.1            | Other Retail Channels Revenue                | <u>671.9</u>       | <u>711.9</u>       | [ 5.6 ]        |
| <b>\$ 1,211.5</b> | <b>\$ 1,232.4</b> | <b>[ 1.6 ]</b> | <b>Total Retail Revenue *</b>                | <b>\$ 6,657.8</b>  | <b>\$ 6,774.6</b>  | <b>[ 1.7 ]</b> |
| <b>\$ 5,017.7</b> | <b>\$ 5,277.6</b> | <b>[ 4.9 ]</b> | <b>Total Commercial &amp; Retail Revenue</b> | <b>\$ 25,758.8</b> | <b>\$ 27,008.3</b> | <b>[ 4.6 ]</b> |
| 27.8              | 39.1              | [ 29.0 ]       | Other Income                                 | 147.8              | 207.8              | [ 28.9 ]       |
| <u>3.7</u>        | <u>3.7</u>        | 0.0            | Revenue Forgone                              | <u>18.7</u>        | <u>18.7</u>        | 0.0            |
| <b>\$ 5,049.2</b> | <b>\$ 5,320.4</b> | <b>[ 5.1 ]</b> | <b>Total Operating Revenue</b>               | <b>\$ 25,925.3</b> | <b>\$ 27,234.8</b> | <b>[ 4.8 ]</b> |
| <u>2.2</u>        | <u>2.1</u>        | 1.8            | Investment Income                            | <u>12.6</u>        | <u>12.1</u>        | 3.7            |
| <b>\$ 5,051.4</b> | <b>\$ 5,322.5</b> | <b>[ 5.1 ]</b> | <b>Total Revenue</b>                         | <b>\$ 25,937.9</b> | <b>\$ 27,246.9</b> | <b>[ 4.8 ]</b> |

[ ]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

\*Beginning FY 2002, box rent revenue reporting has been modified.

**EXPENSE ANALYSIS**  
Accounting Period 5, FY 2002  
(\$ Millions)

| Current Period |        |                |          |        |        |
|----------------|--------|----------------|----------|--------|--------|
| Actual         | Budget | Var. to Budget | % Budget | SPLY * | % SPLY |

|            |            |            |       |            |       |                        |
|------------|------------|------------|-------|------------|-------|------------------------|
| \$ 3,898.3 | \$ 4,015.8 | \$ - 117.5 | - 2.9 | \$ 3,943.8 | - 1.2 | Personnel Compensation |
|------------|------------|------------|-------|------------|-------|------------------------|

Non-Personnel Expense: \*\*

|                   |                   |                  |         |                   |        |                     |
|-------------------|-------------------|------------------|---------|-------------------|--------|---------------------|
| 451.2             | 424.5             | [ 26.7 ]         | [ 6.3 ] | 430.9             | 4.7    | Transportation      |
| 203.3             | 325.3             | - 122.0          | - 37.5  | 248.8             | - 18.3 | Supplies & Services |
| <u>373.4</u>      | <u>361.5</u>      | [ 11.9 ]         | [ 3.3 ] | <u>388.9</u>      | - 4.0  | Other               |
| <u>\$ 1,027.9</u> | <u>\$ 1,111.3</u> | <u>\$ - 83.4</u> | - 7.5   | <u>\$ 1,068.6</u> | - 3.8  | Subtotal            |

|            |            |            |       |            |       |                         |
|------------|------------|------------|-------|------------|-------|-------------------------|
| \$ 4,926.2 | \$ 5,127.1 | \$ - 200.9 | - 3.9 | \$ 5,012.4 | - 1.7 | Total Operating Expense |
|------------|------------|------------|-------|------------|-------|-------------------------|

|                   |                   |                   |        |                   |        |                                       |
|-------------------|-------------------|-------------------|--------|-------------------|--------|---------------------------------------|
| 26.0              | 33.2              | - 7.2             | - 21.7 | 32.0              | - 18.7 | Interest Expense                      |
| <u>126.1</u>      | <u>126.1</u>      | <u>0.0</u>        | 0.0    | <u>123.9</u>      | 1.8    | Interest on Deferred Ret. Liabilities |
| <u>\$ 5,078.3</u> | <u>\$ 5,286.4</u> | <u>\$ - 208.1</u> | - 3.9  | <u>\$ 5,168.3</u> | - 1.7  | Total Expense                         |

| Year-to-Date |        |                |          |        |        |
|--------------|--------|----------------|----------|--------|--------|
| Actual       | Budget | Var. to Budget | % Budget | SPLY * | % SPLY |

|             |             |            |       |             |     |
|-------------|-------------|------------|-------|-------------|-----|
| \$ 19,951.8 | \$ 20,335.4 | \$ - 383.6 | - 1.9 | \$ 19,934.6 | 0.1 |
|-------------|-------------|------------|-------|-------------|-----|

|                   |                   |                   |         |                   |        |
|-------------------|-------------------|-------------------|---------|-------------------|--------|
| 2,183.3           | 2,140.3           | [ 43.0 ]          | [ 2.0 ] | 2,039.1           | 7.1    |
| 916.2             | 1,377.1           | - 460.9           | - 33.5  | 1,122.7           | - 18.4 |
| <u>2,124.1</u>    | <u>2,011.1</u>    | [ 113.0 ]         | [ 5.6 ] | <u>2,096.8</u>    | 1.3    |
| <u>\$ 5,223.6</u> | <u>\$ 5,528.5</u> | <u>\$ - 304.9</u> | - 5.5   | <u>\$ 5,258.6</u> | - 0.7  |

|             |             |            |       |             |       |
|-------------|-------------|------------|-------|-------------|-------|
| \$ 25,175.4 | \$ 25,863.9 | \$ - 688.5 | - 2.7 | \$ 25,193.2 | - 0.1 |
|-------------|-------------|------------|-------|-------------|-------|

|                    |                    |                   |        |                    |        |
|--------------------|--------------------|-------------------|--------|--------------------|--------|
| 134.5              | 155.4              | - 20.9            | - 13.4 | 159.2              | - 15.5 |
| <u>630.5</u>       | <u>630.5</u>       | <u>0.0</u>        | 0.0    | <u>619.6</u>       | 1.8    |
| <u>\$ 25,940.4</u> | <u>\$ 26,649.8</u> | <u>\$ - 709.4</u> | - 2.7  | <u>\$ 25,972.0</u> | - 0.1  |

[ ]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

\*SPLY data may differ from previous reports due to subsequent adjustments.

\*\*Non-Personnel Expense - Non-Personnel budgets for individual Headquarters units will be (have not been) allocated to the new organization structure. Until then, these budgets are included in the Supplies and Services line.



**ANALYSIS OF OPERATING EXPENSES**  
**Accounting Period 5, FY 2002**  
**Personnel Compensation**  
**(\$ Millions)**

| Current Period    |                   |                  |             |                   |             | Total Compensation **                | Year-to-Date       |                    |                  |             |                    |             |
|-------------------|-------------------|------------------|-------------|-------------------|-------------|--------------------------------------|--------------------|--------------------|------------------|-------------|--------------------|-------------|
| Actual            | Budget            | Var. to Budget   | % Budget    | SPLY *            | % SPLY      |                                      | Actual             | Budget             | Var. to Budget   | % Budget    | SPLY *             | % SPLY      |
| \$ 24.8           | \$ 26.0           | \$ -1.2          | -4.4        | \$ 26.2           | -5.3        | Operations:                          | \$ 127.4           | \$ 132.5           | \$ -5.1          | -3.9        | \$ 130.2           | -2.2        |
| 831.8             | 828.9             | [ 2.9 ]          | [ 0.3 ]     | 883.4             | -5.8        | -Support                             | 4,340.1            | 4,337.8            | [ 2.3 ]          | [ 0.1 ]     | 4,586.3            | -5.4        |
| 305.3             | 306.0             | -0.6             | -0.2        | 300.2             | 1.7         | -Mail Processing                     | 1,568.0            | 1,572.6            | -4.6             | -0.3        | 1,545.2            | 1.5         |
| 1,088.5           | 1,083.2           | [ 5.3 ]          | [ 0.5 ]     | 1,110.1           | -1.9        | -Rural Delivery                      | 5,607.6            | 5,577.9            | [ 29.7 ]         | [ 0.5 ]     | 5,622.9            | -0.3        |
| 77.7              | 80.2              | -2.6             | -3.2        | 77.9              | -0.3        | -Other Delivery                      | 401.2              | 408.0              | -6.9             | -1.7        | 400.7              | 0.1         |
| 190.8             | 195.9             | -5.1             | -2.6        | 191.2             | -0.2        | -Vehicles Services                   | 975.8              | 995.5              | -19.8            | -2.0        | 973.6              | 0.2         |
| 539.4             | 537.9             | [ 1.5 ]          | [ 0.3 ]     | 578.9             | -6.8        | -Plant & Equip Maint                 | 2,799.2            | 2,763.1            | [ 36.1 ]         | [ 1.3 ]     | 2,963.2            | -5.5        |
| 18.5              | 21.9              | -3.4             | -15.7       | 22.6              | -18.3       | -Customer Services                   | 95.9               | 111.8              | -15.9            | -14.2       | 114.1              | -15.9       |
| 23.1              | 25.1              | -2.0             | -8.0        | 24.2              | -4.8        | Finance                              | 118.3              | 126.8              | -8.4             | -6.6        | 121.8              | -2.8        |
| 34.3              | 44.9              | -10.6            | -23.6       | 31.5              | 9.0         | Human Resources                      | 159.6              | 200.0              | -40.4            | -20.2       | 161.0              | -0.9        |
| 160.8             | 155.8             | [ 5.1 ]          | [ 3.3 ]     | 156.5             | 2.8         | Customer Service & Sales             | 791.1              | 794.5              | -3.4             | -0.4        | 784.7              | 0.8         |
| 132.4             | 203.5             | -71.1            | -35.0       | 147.1             | -10.0       | Administration                       | 745.4              | 1,017.0            | -271.6           | -26.7       | 724.9              | 2.8         |
| <b>\$ 3,427.4</b> | <b>\$ 3,509.3</b> | <b>\$ -81.8</b>  | <b>-2.3</b> | <b>\$ 3,549.9</b> | <b>-3.5</b> | Other Salaries & Benefits            | <b>\$ 17,729.5</b> | <b>\$ 18,037.5</b> | <b>\$ -308.0</b> | <b>-1.7</b> | <b>\$ 18,128.6</b> | <b>-2.2</b> |
| 78.3              | 78.5              | -0.1             | -0.1        | 76.6              | 2.3         | <b>Total Salaries &amp; Benefits</b> | 392.1              | 392.5              | -0.4             | -0.1        | 355.8              | 10.2        |
| 4.8               | 4.8               | 0.0              | 0.0         | 4.7               | 3.0         | Workers' Compensation                | 24.1               | 25.9               | -1.8             | -6.9        | 23.4               | 3.0         |
| 107.9             | 107.9             | 0.0              | 0.0         | 107.4             | 0.5         | Unemployment Compensation            | 539.6              | 539.6              | 0.0              | 0.0         | 536.8              | 0.5         |
| 69.3              | 69.3              | 0.0              | 0.0         | 61.3              | 13.1        | Deferred Retirement Cost             | 346.3              | 346.3              | 0.0              | 0.0         | 306.3              | 13.1        |
| 80.5              | 80.5              | 0.0              | 0.0         | 66.3              | 21.4        | CSRS Annuitant COLA                  | 402.7              | 402.7              | 0.0              | 0.0         | 331.5              | 21.4        |
| 130.0             | 165.5             | -35.6            | -21.5       | 77.6              | 67.5        | Annuitant Health Benefits            | 517.5              | 590.9              | -73.4            | -12.4       | 252.1              | 105.3       |
| <b>\$ 3,898.3</b> | <b>\$ 4,015.8</b> | <b>\$ -117.5</b> | <b>-2.9</b> | <b>\$ 3,943.8</b> | <b>-1.2</b> | Other Compensation                   | <b>\$ 19,951.8</b> | <b>\$ 20,335.4</b> | <b>\$ -383.6</b> | <b>-1.9</b> | <b>\$ 19,934.6</b> | <b>0.1</b>  |
|                   |                   |                  |             |                   |             | <b>Total Personnel Compensation</b>  |                    |                    |                  |             |                    |             |

Note: Totals may not sum due to rounding.

[ ]=Unfavorable variance to budget

\*SPLY data may differ from previous reports due to subsequent adjustments.

\*\*Total Compensation - Field operating budgets have been adjusted to reflect lower workload. Accordingly, functional budgets have been adjusted.

Corresponding offsets to these adjustments are reflected in Other Salaries & Benefits line. Also included in the Other Salaries & Benefits line are budget funds for Headquarters units which will be (have not been) allocated to individual units based on the new organization structure.

**ANALYSIS OF NON-PERSONNEL EXPENSES**  
**Accounting Period 5, FY 2002**  
**(\$ Millions)**

| Current Period    |                   |                  |              |                   |              |                                       | Year-to-Date      |                   |                  |              |                   |              |  |
|-------------------|-------------------|------------------|--------------|-------------------|--------------|---------------------------------------|-------------------|-------------------|------------------|--------------|-------------------|--------------|--|
| Actual            | Budget            | Var. to Budget   | % Budget     | SPLY *            | % SPLY       | Description **                        | Actual            | Budget            | Var. to Budget   | % Budget     | SPLY *            | % SPLY       |  |
| \$ 451.2          | \$ 424.5          | [\$ 26.6]        | [ 6.3]       | \$ 430.9          | 4.7          | Transportation                        | \$ 2,183.3        | \$ 2,140.3        | [\$ 43.0]        | [ 2.0]       | \$ 2,039.1        | 7.1          |  |
| 203.3             | 325.3             | - 122.0          | - 37.5       | 248.8             | - 18.3       | Supplies & Services                   | 916.2             | 1,377.1           | - 460.8          | - 33.5       | 1,122.7           | - 18.4       |  |
| 177.7             | 179.3             | - 1.6            | - 0.9        | 162.5             | 9.4          | Depreciation                          | 880.3             | 885.6             | - 5.3            | - 0.6        | 814.9             | 8.0          |  |
| 9.8               | 7.2               | [ 2.7]           | [ 37.6]      | 6.6               | 49.2         | Rent                                  | 306.6             | 293.9             | [ 12.7]          | [ 4.3]       | 280.0             | 9.5          |  |
| 39.8              | 43.8              | - 4.0            | - 9.1        | 42.7              | - 6.6        | Fuel & Utilities                      | 176.8             | 185.4             | - 8.6            | - 4.7        | 169.8             | 4.1          |  |
| 28.0              | 29.5              | - 1.5            | - 5.0        | 28.6              | - 2.0        | Rural Carrier Equip Maint Allowance   | 149.5             | 150.0             | - 0.5            | - 0.3        | 146.2             | 2.3          |  |
| 29.4              | 34.3              | - 4.9            | - 14.4       | 36.7              | - 20.0       | Vehicle Maintenance                   | 150.1             | 159.9             | - 9.8            | - 6.1        | 162.6             | - 7.7        |  |
| 27.6              | 1.2               | [ 26.4]          | -            | 21.9              | 25.9         | Information Technology                | 132.3             | 5.8               | [ 126.4]         | -            | 85.2              | 55.2         |  |
| 7.7               | 10.9              | - 3.1            | - 28.9       | 12.1              | - 36.4       | Building Projects Expensed            | 51.0              | 54.8              | - 3.8            | - 7.0        | 61.2              | - 16.6       |  |
| 5.3               | 5.1               | [ 0.2]           | [ 3.8]       | 4.9               | 7.0          | Contract Job Cleaners                 | 27.0              | 25.9              | [ 1.1]           | [ 4.2]       | 25.7              | 5.3          |  |
| 9.0               | 4.9               | [ 4.1]           | [ 83.7]      | 7.3               | 23.2         | Travel & Relocation                   | 45.8              | 30.0              | [ 15.9]          | [ 53.0]      | 43.7              | 4.9          |  |
| 20.8              | 8.9               | [ 11.9]          | [ 133.5]     | 15.7              | 32.4         | Communications                        | 64.9              | 43.0              | [ 21.9]          | [ 50.9]      | 68.2              | - 4.8        |  |
| 5.9               | 6.0               | - 0.1            | - 2.0        | 5.5               | 7.0          | Contract Stations                     | 24.6              | 25.3              | - 0.7            | - 2.8        | 23.8              | 3.1          |  |
| 2.7               | 0.9               | [ 1.7]           | [ 180.9]     | 2.3               | 14.1         | Printing                              | 11.2              | 4.6               | [ 6.6]           | [ 144.5]     | 10.0              | 11.5         |  |
| 3.1               | 3.6               | - 0.5            | - 13.7       | 4.0               | - 23.2       | Training                              | 18.3              | 21.0              | - 2.7            | - 12.7       | 23.3              | - 21.5       |  |
| 3.8               | 4.1               | - 0.3            | - 6.4        | 4.3               | - 11.2       | Carfare & Tolls                       | 22.3              | 23.0              | - 0.6            | - 2.8        | 21.7              | 2.9          |  |
| 2.2               | 3.5               | - 1.3            | - 36.6       | 4.5               | - 50.2       | Vehicle Hire                          | 12.7              | 15.3              | - 2.6            | - 17.0       | 16.8              | - 24.4       |  |
| 5.0               | 3.2               | [ 1.8]           | [ 55.8]      | 5.7               | - 13.2       | Accident Cost                         | 18.4              | 16.9              | [ 1.5]           | [ 8.8]       | 18.5              | - 0.5        |  |
| - 2.9             | - 3.4             | [ 0.5]           | [ 13.9]      | - 4.2             | - 29.5       | Capitalized Interest                  | - 16.5            | - 17.1            | [ 0.6]           | [ 3.6]       | - 22.6            | - 27.3       |  |
| - 1.3             | 18.6              | - 20.0           | - 107.2      | 27.8              | -            | Miscellaneous                         | 48.5              | 87.8              | - 39.3           | - 44.7       | 147.7             | -            |  |
| <b>\$ 1,027.9</b> | <b>\$ 1,111.3</b> | <b>\$ - 83.4</b> | <b>- 7.5</b> | <b>\$ 1,068.6</b> | <b>- 3.8</b> | <b>Total Other Operating Expenses</b> | <b>\$ 5,223.6</b> | <b>\$ 5,528.5</b> | <b>\$- 304.9</b> | <b>- 5.5</b> | <b>\$ 5,258.6</b> | <b>- 0.7</b> |  |

[ ]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

\*SPLY data may differ from previous reports due to subsequent adjustments.

\*\*Description - Budget allocations reflect field budget totals only. As noted on page 6, Headquarters budgets have not yet been allocated to individual units. Only, the transportation and depreciation items have been allocated for Headquarters. All other non-personnel budget categories for Headquarters units are reflected in Supplies and Services.

| STATEMENT OF FINANCIAL POSITION  |                     |                      |                         |
|--|---------------------|----------------------|-------------------------|
| Accounting Period 5, FY 2002   |                     |                      |                         |
| (\$ Millions)  |                     |                      |                         |
| Assets   | January 25,<br>2002 | December 28,<br>2001 | September 30,<br>2001 * |
| <b>Current Assets:</b>   |                     |                      |                         |
| Cash and cash equivalents _1/  | \$ 297              | \$ 204               | \$ 999                  |
| U.S. Government securities, at amortized<br>cost which approximates market | 6                   | 6                    | 6                       |
| <b>Receivables:</b>  |                     |                      |                         |
| Foreign countries  | 423                 | 427                  | 379                     |
| U.S. Government  | 132                 | 109                  | 133                     |
| Other  | 223                 | 226                  | 206                     |
|  | <u>778</u>          | <u>762</u>           | <u>718</u>              |
| Less allowances  | <u>116</u>          | <u>116</u>           | <u>110</u>              |
|  | 662                 | 646                  | 608                     |
| Supplies, advances and prepayments   | <u>301</u>          | <u>305</u>           | <u>320</u>              |
| <b>Total Current Assets</b>  | <b>1,266</b>        | <b>1,161</b>         | <b>1,933</b>            |
| Other assets _2/   | 372                 | 372                  | 372                     |
| <b>Property and equipment, at cost:</b>                                    |                     |                      |                         |
| Buildings  | 19,291              | 19,082               | 18,808                  |
| Equipment  | 15,988              | 15,959               | 15,456                  |
| Land   | <u>2,745</u>        | <u>2,724</u>         | <u>2,684</u>            |
|  | 38,024              | 37,765               | 36,948                  |
| Less allowances for depreciation   | <u>15,364</u>       | <u>15,226</u>        | <u>14,792</u>           |
|  | 22,660              | 22,539               | 22,156                  |
| Construction in progress   | 1,662               | 1,877                | 1,969                   |
| Leasehold improvements, net  | <u>660</u>          | <u>629</u>           | <u>638</u>              |
|  | 24,982              | 25,045               | 24,763                  |
| Deferred Retirement Costs _3/  | <u>33,998</u>       | <u>34,175</u>        | <u>32,023</u>           |
| <b>Total Assets</b>  | <b>\$ 60,618</b>    | <b>\$ 60,753</b>     | <b>\$ 59,091</b>        |

\_1/ Includes securities with maturities of 90 days or less in accordance with Statement of Financial Accounting Standards (SFAS) No. 95.

\_2/ Includes \$370 million as of September 30, 2001, December 28, 2001 and January 25, 2002 for appropriation receivable for revenue forgone.

\_3/ Represents the Postal Service's deferred retirement liability to OPM for increases in basic pay and annuitants' COLAs. Amounts applicable to future periods are capitalized as deferred retirement costs and amortized over 30 years for basic pay and 15 years for annuitants' COLAs.

\* Audited year-end data

**STATEMENT OF FINANCIAL POSITION**  
**Accounting Period 5, FY 2002**  
**(\$ Millions)**

| <b>Liabilities and Equities</b>             | <b>January 25,<br/>2002</b> | <b>December 28,<br/>2001</b> | <b>September 30,<br/>2001 *</b> |
|---|-----------------------------|------------------------------|---------------------------------|
| <b>Current Liabilities:</b>                 |                             |                              |                                 |
| Compensation and employees' benefits        | \$ 6,275                    | \$ 5,817                     | \$ 5,810                        |
| Estimated prepaid postage                   | 1,623                       | 1,623                        | 1,623                           |
| <b>Payables and accrued expenses:</b>       |                             |                              |                                 |
| Foreign countries                           | 530                         | 558                          | 499                             |
| U.S. Government                             | 187                         | 167                          | 151                             |
| Other                                       | <u>2,922</u>                | <u>3,212</u>                 | <u>956</u>                      |
|   | 3,639                       | 3,937                        | 1,606                           |
| Appropriation for free & reduced rate mail  | 33                          | 37                           | 0                               |
| Prepaid permit mail and box rentals         | 1,496                       | 1,560                        | 1,866                           |
| Outstanding postal money orders             | 805                         | 807                          | 988                             |
| Current portion of debt                     | <u>2,566</u>                | <u>2,714</u>                 | <u>5,564</u>                    |
| <b>Total Current Liabilities</b>            | <b>16,437</b>               | <b>16,495</b>                | <b>17,457</b>                   |
| <b>Long-term debt, less current portion</b> | <b>5,751</b>                | <b>5,751</b>                 | <b>5,751</b>                    |
| <b>Other Liabilities:</b>                   |                             |                              |                                 |
| Amounts payable for retirement benefits _3/ | 32,436                      | 32,436                       | 29,932                          |
| Workers' compensation claims                | 5,506                       | 5,428                        | 5,167                           |
| Employees' accumulated leave                | 1,875                       | 2,021                        | 2,124                           |
| Other                                       | <u>1,228</u>                | <u>1,226</u>                 | <u>986</u>                      |
| <b>Total Other Liabilities</b>              | <b>41,045</b>               | <b>41,111</b>                | <b>38,209</b>                   |
| Capital Contributions of the US Government  | 3,034                       | 3,034                        | 3,034                           |
| Deficit Since Reorganization                | <u>- 5,649</u>              | <u>- 5,638</u>               | <u>- 5,360</u>                  |
| Equity/Capital Deficiency                   | <u>- 2,615</u>              | <u>- 2,604</u>               | <u>- 2,326</u>                  |
| <b>Total Liabilities and Equity</b>         | <b><u>\$ 60,618</u></b>     | <b><u>\$ 60,753</u></b>      | <b><u>\$ 59,091</u></b>         |

\_3/ Represents the Postal Service's deferred retirement liability to OPM for increases in basic pay and annuitants' COLAs. Amounts applicable to future periods are capitalized as deferred retirement costs and amortized over 30 years for basic pay and 15 years for annuitants' COLAs.

\* Audited year-end data

**CAPITAL INVESTMENTS**  
**FY 2002**  
**(\$ Millions)**

| MAJOR CATEGORIES                        | COMMITMENTS        |                 |                 | CASH OUTLAYS       |                 |                   |
|---|--------------------|-----------------|-----------------|--------------------|-----------------|-------------------|
|   | A/P 5 Year-to-Date |                 |                 | A/P 5 Year-to-Date |                 |                   |
|   | ACTUAL             | PLAN            | SPLY            | ACTUAL             | PLAN            | SPLY              |
| CONSTRUCTION AND BUILDING PURCHASE      | \$ 10.1            | \$ 7.8          | \$ 62.6         | \$ 113.7           | \$ 182.5        | \$ 270.9          |
| BUILDING IMPROVEMENTS                   | 30.9               | 36.3            | 71.8            | 81.3               | 121.3           | 223.9             |
| MAIL PROCESSING EQUIPMENT               | 423.1              | 441.2           | 148.5           | 528.0              | 286.8           | 358.0             |
| VEHICLES                                | 16.4               | 16.6            | 22.0            | 84.0               | 53.8            | 109.6             |
| RETAIL EQUIPMENT                        | 5.8                | 7.0             | 20.3            | 25.9               | 35.6            | 98.9              |
| POSTAL SUPPORT EQUIPMENT                | 76.6               | 82.2            | 62.1            | 97.2               | 124.6           | 157.0             |
| <b>TOTAL COMMITMENTS/CASH OUTLAYS *</b> | <b>\$ 562.9</b>    | <b>\$ 591.1</b> | <b>\$ 387.4</b> | <b>\$ 930.2</b>    | <b>\$ 804.6</b> | <b>\$ 1,218.4</b> |

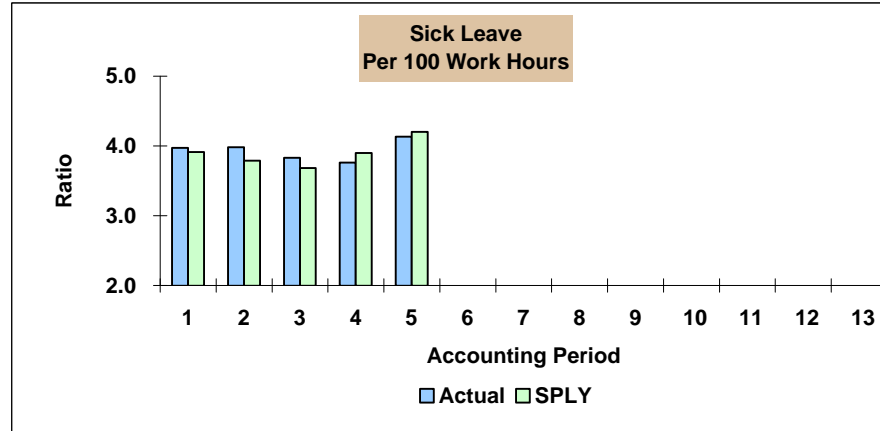
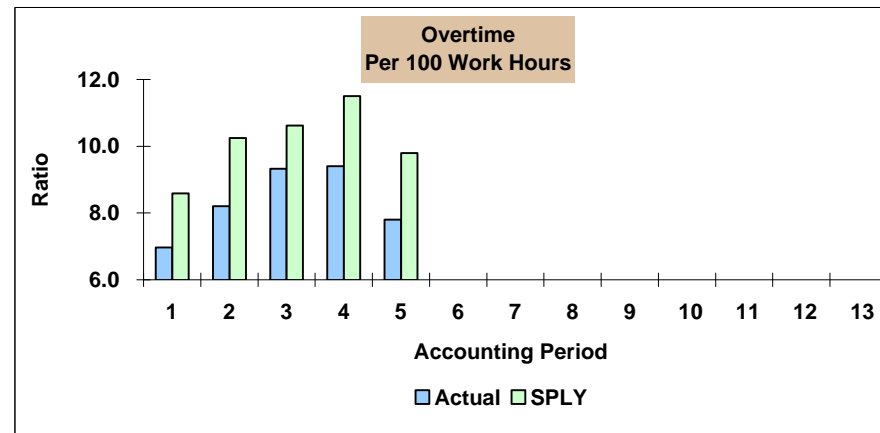
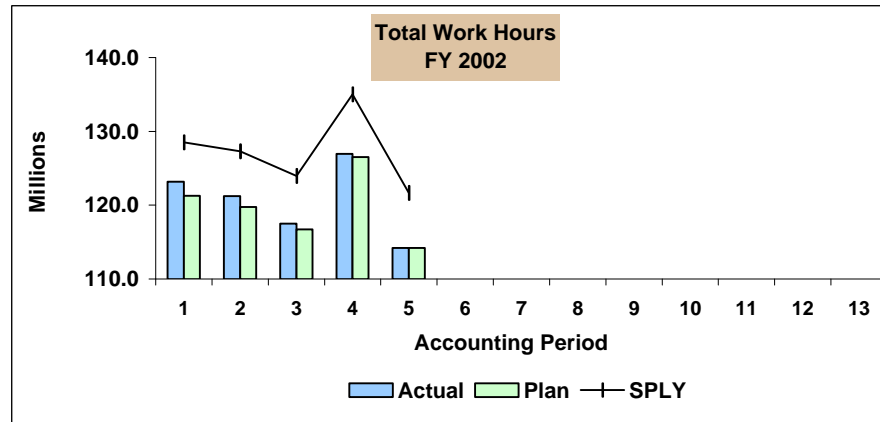
Note: Totals may not sum due to rounding.

**RESOURCES ON ORDER**  
**(\$ Millions)**

| MAJOR CATEGORIES                   | January 25,<br>2002 | September 30,<br>2001 |
|------------------------------------|---------------------|-----------------------|
| CONSTRUCTION AND BUILDING PURCHASE | \$ 134.9            | \$ 245.8              |
| BUILDING IMPROVEMENTS              | 136.9               | 194.1                 |
| MAIL PROCESSING EQUIPMENT          | 1,007.3             | 1,115.2               |
| VEHICLES                           | 41.7                | 137.5                 |
| RETAIL EQUIPMENT                   | 51.6                | 71.8                  |
| POSTAL SUPPORT EQUIPMENT           | 99.4                | 120.5                 |
| INVENTORIES                        | 310.6               | 308.4                 |
| RESEARCH AND DEVELOPMENT           | 31.0                | 36.2                  |
| MISCELLANEOUS EXPENSE COMMITMENTS  | 4,449.6             | 3,359.1               |
| <b>TOTAL RESOURCES ON ORDER</b>    | <b>\$ 6,262.9</b>   | <b>\$ 5,588.7</b>     |

Note: Totals may not sum due to rounding.

| STATEMENT OF CASH FLOWS   |           |                |
|---|-----------|----------------|
| (\$ Millions)   |           |                |
| Fiscal Year 2002  |           |                |
| For the Fiscal Year through January 25, 2002  |           |                |
| <b>Cash flows from operating activities:</b>  |           |                |
| Net income/(loss) (Government Fiscal Year Basis)  | \$        | (289)          |
| Adjustments to reconcile net income/(loss) to net cash provided/(used) by operating activities: |           |                |
| Depreciation and amortization   |           | 747            |
| Increase/(decrease) in other liabilities  |           | 242            |
| Increase/(decrease) in employees' accumulated leave   |           | (249)          |
| Increase/(decrease) in non-current workers' compensation claims                                 |           | 339            |
| Increase/(decrease) in retirement, net  |           | 529            |
| Changes in current assets and liabilities:  |           |                |
| Increase/(decrease) in accrued compensation and benefits  |           | 465            |
| Increase/(decrease) in deferred revenue   |           | (337)          |
| Increase/(decrease) in payables and accrued expenses  |           | 2,033          |
| (Increase)/decrease in receivables  |           | (54)           |
| (Increase)/decrease in supplies, advances and prepayments                                       |           | 19             |
| Increase/(decrease) in outstanding postal money orders  |           | (183)          |
| <b>Net cash provided by operating activities</b>  |           | <b>3,262</b>   |
| <b>Cash flows from investing activities:</b>  |           |                |
| Sale/(purchase) of U.S. Government securities, net  |           | 0              |
| Purchase of property and equipment, net   |           | (966)          |
| <b>Net cash used in investing activities</b>  |           | <b>(966)</b>   |
| <b>Cash flows from financing activities:</b>  |           |                |
| Increase/(decrease) in debt   |           | (2,998)        |
| (Increase)/decrease in other non-current assets   |           | 0              |
| <b>Net cash used by financing activities</b>  |           | <b>(2,998)</b> |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                                     |           | <b>(702)</b>   |
| <b>Cash and cash equivalents at beginning of period</b>   |           | <b>999</b>     |
| <b>Cash and cash equivalents at end of period</b>   | <b>\$</b> | <b>297</b>     |



# WORK HOURS & OVERTIME/SICK LEAVE RATIOS

Accounting Period 5, FY 2002

(Data in Thousands)

| Current Period |                |          |         |        |                          | Year-to-Date |                |          |         |        |
|----------------|----------------|----------|---------|--------|--------------------------|--------------|----------------|----------|---------|--------|
| Actual         | Var. to Budget | % Budget | SPLY *  | % SPLY |                          | Actual       | Var. to Budget | % Budget | SPLY *  | % SPLY |
|                |                |          |         |        | <u>Total Work Hours</u>  |              |                |          |         |        |
| 644            | - 53           | - 7.5    | 717     | - 10.1 | Operations:              | 3,465        | - 176          | - 4.8    | 3,677   | - 5.8  |
| 28,861         | - 194          | - 0.7    | 31,742  | - 9.1  | -Support                 | 154,995      | - 960          | - 0.6    | 168,729 | - 8.1  |
| 12,654         | - 25           | - 0.2    | 12,586  | 0.5    | -Mail Processing         | 65,812       | - 187          | - 0.3    | 65,792  | 0.0    |
| 34,850         | - 160          | - 0.5    | 36,648  | - 4.9  | -Rural Delivery          | 182,442      | - 139          | - 0.1    | 191,413 | - 4.7  |
| 2,443          | - 107          | - 4.2    | 2,511   | - 2.7  | -Other Delivery          | 12,859       | - 242          | - 1.8    | 13,068  | - 1.6  |
| 6,134          | - 251          | - 3.9    | 6,256   | - 2.0  | -Vehicles Services       | 31,769       | - 949          | - 2.9    | 32,127  | - 1.1  |
| 18,105         | - 386          | - 2.1    | 19,980  | - 9.4  | -Plant & Equip Maint     | 95,628       | - 259          | - 0.3    | 103,519 | - 7.6  |
| 538            | - 110          | - 17.0   | 688     | - 21.8 | -Customer Services       | 2,861        | - 490          | - 14.6   | 3,530   | - 19.0 |
| 622            | - 64           | - 9.4    | 689     | - 9.7  | Finance                  | 3,322        | - 249          | - 7.0    | 3,577   | - 7.1  |
| 1,047          | - 270          | - 20.5   | 1,012   | 3.5    | Human Resources          | 5,045        | - 1,149        | - 18.6   | 5,240   | - 3.7  |
| 4,871          | 47             | [ 1.0 ]  | 4,889   | - 0.4  | Customer Service & Sales | 25,316       | 177            | [ 0.7 ]  | 25,519  | - 0.8  |
| 110,769        | - 1,573        | - 1.4    | 117,718 | - 5.9  | Administration           | 583,514      | - 4,623        | - 0.8    | 616,191 | - 5.3  |
| 3,430          | -              | -        | 3,955   | - 13.3 | Sub-Total                | 20,400       | -              | -        | 20,737  | - 1.6  |
| 114,199        | -              | -        | 121,673 | - 6.1  | Other**                  | 603,914      | -              | -        | 636,928 | - 5.2  |
|                |                |          |         |        | <u>Total Work Hours</u>  |              |                |          |         |        |

| Overtime   |        |      |  |  |        |        |       |
|------------|--------|------|--|--|--------|--------|-------|
| Actual     | Budget | SPLY |  |  | Actual | Budget | SPLY  |
| 7.8%       | 8.9%   | 9.8% | Overtime Ratio<br>Per 100 Work Hours   |  | 8.4%   | 9.3%   | 10.2% |
|            |        |      |  |  |        |        |       |
| Sick Leave |        |      |  |  |        |        |       |
| Actual     | Budget | SPLY |  |  | Actual | Budget | SPLY  |
| 4.1%       | --     | 4.2% | Sick Leave Ratio<br>Per 100 Work Hours |  | 4.0%   | --     | 3.9%  |
|            |        |      |  |  |        |        |       |

[ ]=Unfavorable variance to budget

Note: Totals may not sum due to rounding.

\*SPLY data may differ from previous reports due to subsequent adjustments.

\*\*Other - Headquarters budgets have not yet been allocated to individual Headquarters units. Therefore, the Variance to Budget and % Budget entries have been omitted from the Other and Total Work Hours lines.